

INDEPTHFEATURE

INTELLECTUAL PROPERTY

2022





Published by Financier Worldwide Ltd First Floor, Building 3 Wall Island, Birmingham Road Lichfield WS14 OQP United Kingdom

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www.financierworldwide.com

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Introduction

In an increasingly competitive corporate landscape, intangible assets such as intellectual property (IP) can be key differentiators for companies. As such, properly managing an IP portfolio may be more important today than ever.

Technology has emerged as a vital part of this process. Companies have a huge choice of software tools and online services which will enable them to keep track of their IP assets. IP offices have also begun to embrace technological innovation, with many taking their IP databases online. Making this information publicly available for access both domestically and internationally allows companies to better identify risks from a registrability and patentability standpoint.

Going forward, technology is also expected to be at the heart of many IP battles. Given the growth of artificial intelligence (AI), the blockchain and non-fungible tokens (NFTs), as well as other technological developments, disputes involving these technologies are expected to gather momentum. Companies, IP offices and courts should prepare for an influx of related cases.

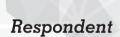
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Q. In your experience, are companies in Canada doing enough to manage their intellectual property (IP) portfolio effectively? What key considerations do they need to make?

A. Canadian companies generally are not doing enough to manage their intellectual property (IP) portfolios. Many Canadian companies do not invest sufficient resources in formulating an IP strategy appropriate to their business goals. Too often, companies file for IP right protections because they wanted to tick a box for potential investors, instead of considering whether the type of IP asset is appropriate for the company at that specific time. Canadian companies do not spend enough resources on designing, implementing and updating their IP strategy.

Q. Could you outline the main challenges facing companies that are looking to generate value from their IP assets and strengthen their portfolio?

A. The main challenge facing Canadian companies looking to generate value from their IP assets and strengthening their

portfolio is cost. The costs associated with filing and maintaining a patent portfolio can be quite high and burdensome for small to medium sized enterprises (SMEs). Even trademark protection, which is traditionally considered a lower cost, has seen fee increases at the Canadian Intellectual Property Office (CIPO). Significant backlogs of trademark applications and inconsistent examination of both trademark applications and patent applications at CIPO have also added to companies' cost burdens. In many cases, companies decide not to pursue certain types of IP protection simply because it is too expensive to do so, but fail to appreciate the consequences. All too often, parties approach us to discuss patent protection for inventions that were disclosed to the public years ago and we have to deliver the bad news that patent protection can no longer be obtained.

Q. What advice would you give to companies on patent protection and enforcement? How important is it to police and monitor IP rights in today's global marketplace?

A. The most important advice to companies on IP protection and enforcement is picking the right battles. Companies need to consider what IP right, be it patent protection, design protection or otherwise, provide the most costefficient market advantage and should invest sufficient resources to build the 'moat' against potential competitors. Depending on the nature of a company's business, it would be important to police and monitor IP rights in the global marketplace. For instance, a clothing company needs to police and monitor IP rights in other countries to ensure that there are no knockoffs or copycat brands that can prevent the clothing company from entering into that market later on.

Q. In what ways can technology help companies to manage and maintain their IP assets?

A. The main technological innovation in the IP space is the increased availability of databases and search services. In the last five years, more and more IP offices have made their IP databases publicly available for access both domestically and internationally. This makes it easier for

companies to identify risks both from a registrability and patentability perspective but also from a freedom-to-operate perspective.

Q. Could you highlight any recent legal or regulatory developments in Canada that are set to have an impact on intellectual property (IP) going forward?

A. The main legal development in Canada impacting IP rights going forward is the amendments to the Patent Rules that took effect on 3 October 2022. The amendments introduced excess claim fees into Canadian patent practice, streamlined examination, and added a requirement to request continued examination when withdrawing applications from allowance or addressing a final action. The results of these amendments make Canada a more expensive and less attractive jurisdiction to obtain patent protection. The coronavirus (COVID-19) pandemic has created a significant financial burden on the CIPO and therefore more fee increases are likely on the horizon.

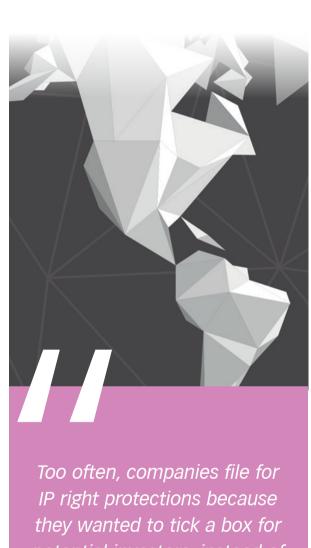
Q. What advice would you give to companies on contractual issues



surrounding IP rights? What key clauses should be included in contracts to account for the possibility of future disputes arising from an agreement?

A. Appropriate representations and warranties and indemnification provisions are key clauses that should be included in any IP-related contracts. The representation and warranties provide a risk allocation between the parties in relation to the IP involved. For example, in a licence agreement, the licensee should ensure that the licensor provides a robust set of representations and warranties around the licensed IP to allow the licensee to better understand the IP and to allocate risks appropriately between the parties. Indemnification is another way of addressing risk allocations. For example, a licensee should have the right to require a licensor to indemnify it for third-party IP infringement caused by the technology licensed by the licensor.

Q. Are you seeing any recurring themes in IP-related disputes in Canada? What steps should companies take as soon as an IP-related dispute surfaces?



A. Many disputes arise because the so-called infringing party did not undertake sufficient IP clearance. Often, companies fail to conduct the proper searches and run into problems down the road when commencing commercialisation of their products and services. As an example, companies often receive demand letters for trademark infringement after they launch a brand, and this infringement can be avoided if appropriately detailed trademark clearance searches were conducted ahead of time.

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Martín Bensadon joined Marval O'Farrell Mairal in 1991 and has been a partner of the firm since 1998. He specialises in intellectual property and more particularly in patent law, having advised many national and foreign firms in this area. He graduated as a lawyer from the Universidad de Buenos Aires in 1991 and obtained a master in law at the University of Illinois at Urbana-Champaign in 1996. He has participated in seminars on industrial property and has written numerous articles on subjects related to his area of specialty as well as a book on Argentine patent law.



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Q. In your experience, are companies in Argentina doing enough to manage their intellectual property (IP) portfolio effectively? What key considerations do they need to make?

A. In recent years, we have seen many Argentine companies acquire more experience and become much more sophisticated in managing their intellectual property (IP) portfolios. We view this as a very positive development in the country's IP landscape, as most local companies historically paid little attention to protecting their IP rights. As for patents, it is key to bear in mind that Argentina is not yet a member of the Patent Cooperation Treaty (PCT), which poses a challenge for local and foreign companies alike. Patent applicants should also be aware that in certain areas, such as pharma and biotech, the Argentinian Patent & Trademark Office (AR PTO) follows specific and strict patentability guidelines. As for trademarks, companies should be aware that Argentina is not yet a member of the Madrid Protocol. Over the last few years, however, the AR PTO has been going through various changes in its trademark

proceedings, aiming to make them more agile and user-friendly.

Q. Could you outline the main challenges facing companies that are looking to generate value from their IP assets and strengthen their portfolio?

A. For companies willing to strengthen their IP portfolios, the main challenges stem from the significant backlog at the AR PTO and the fact that Argentina is not yet a member of the PCT. On the enforcement side, the lack of specialised IP courts is certainly an additional challenge, although the federal courts have become much more familiar with IP infringement and validity issues in recent years.

Q. What advice would you give to companies on patent protection and enforcement? How important is it to police and monitor IP rights in today's global marketplace?

A. Regarding patent protection, it is very important for companies to be aware of the challenges and particularities of Argentine law. The fact that PCT applications are not available forces



applicants to be ready to file applications in Argentina at an earlier stage. The strict patentability criteria on pharma and biotech, on the other hand, makes it advisable for companies to seek expert advice to ascertain the scope of protection that may be sought and analyse the different strategies available. With respect to patent enforcement, it is key for companies to familiarise themselves with the different courses of action, including preliminary injunctions, other precautionary measures and even mediation, which has proven to be an efficient and successful tool in the past.

Q. In what ways can technology help companies to manage and maintain their IP assets?

A. At this point, the vital importance of technology in managing IP assets is obvious to us all. One wonders how it was even possible for companies and IP firms to handle large IP portfolios 30 or 40 years ago without the aid of these now indispensable tools. Over time, IP portfolios have certainly grown larger and more complex, in part due to the increasing sophistication of the IP system

and the need for companies to seek IP protection at a global level. Luckily, IT solutions have developed and improved at a similar pace to make it easier and more efficient to manage and maintain IP portfolios every day, although we are positive that this is only the beginning.

Q. Could you highlight any recent legal or regulatory developments in Argentina that are set to have an impact on IP going forward?

A. Recently, Argentine authorities approved the commercialisation of HB4 wheat, a transgenic wheat resistant to drought. This approval was significant for Argentina because it is the first transgenic wheat in the world to receive commercial approval and because the technology was developed jointly by local public laboratories and a large Argentine company that is making a very important bet on local research and development (R&D). We are certain that this is not only an encouraging step in the right direction, but also a historical milestone for the development of the country's R&D activities. It is already drawing other companies' attention to the importance of



IP protection and R&D investment and is raising awareness of the real possibilities of generating value from IP assets.

Q. What advice would you give to companies on contractual issues surrounding IP rights? What key clauses should be included in contracts to account for the possibility of future disputes arising from an agreement?

A. In general, the clauses to be included in IP contracts having legal effect in Argentina are not very different from those in other jurisdictions. Needless to say, companies negotiating IP agreements in Argentina should pay special attention to the particularities of Argentine law, such as the terms of employee inventions, antitrust regulations, recent amendments to the Argentine Trademark Law and the new use requirements, and so on. From a financial perspective, companies should also become familiar with the tax benefits that may be granted for technology transfer agreements.

Q. Are you seeing any recurring themes in IP-related disputes in Argentina? What



steps should companies take as soon as an IP-related dispute surfaces?

A. In recent years, we have noticed that all IP-related lawsuits have become more sophisticated and complex – particularly in patent disputes but also in matters related to trademarks and designs. In the case of patent infringement trials, we are also seeing more antitrust issues developing. As soon as an IP-related dispute surfaces, we always recommend that companies analyse alternatives and risks carefully before taking any action. It should be remembered that judicial proceedings in Argentina are mostly written and often last several years, which makes it particularly important to analyse precautionary measures and other alternatives. In this regard, and depending on the issues at stake and the parties involved, alternative dispute resolution processes may be worth considering. In fact, mediation has proven to be a valuable alternative in past cases.

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Ed Round became a partner at Marks & Clerk in 2004. He advises clients operating in a variety of business sectors, with a focus on advanced electronic and data technologies. He has extensive experience of the complex legal issues surrounding patent protection of computer implemented inventions. The primary focus of his work is on obtaining patent protection for clients, allied with advising on other aspects of IP management such as infringement risk, patent validity, and the impact of standard essential patents.



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Michael Barrett has over 10 years' experience as a chartered (UK) trademark attorney and more than 20 years' experience as a solicitor. He advises brand owners on all aspects of trademark protection and registration, including portfolio management, clearance searching, trademark prosecution, opposition, cancellation, revocation, licensing, assignment, infringement and the law of unregistered trademarks and passing-off.

Q. In your experience, are companies in the UK doing enough to manage their intellectual property (IP) portfolio effectively? What key considerations do they need to make?

A. Management of intellectual property (IP) portfolios is largely dictated by budget and resource. Companies need to balance the cost of protecting and enforcing their rights, against the value that intangible assets bring to their business. As always, it is strongly recommended to seek professional advice concerning your IP, to understand better what assets are protectable and where budget is best allocated to strengthen a portfolio. A strong portfolio of rights, coupled with good enforcement activity against third parties treading too closely on a business' brand, is key for building a strong trademark portfolio. Patent protection is available for innovative technology. Since FinTech now contributes a significant amount of value to the finance industry, it is right for businesses to explore the possibilities of protecting their ideas. Much of the messaging in the UK around patentability of FinTech innovation has historically been unduly focused on what

cannot be patented. This contrasts with the position in other countries which have generally taken a more permissive approach.

Q. Could you outline the main challenges facing companies that are looking to generate value from their IP assets and strengthen their portfolio?

A. Developing an effective IP value strategy relies on a business understanding why it is protecting its IP. There may be some IP assets which the business is looking to keep for itself and to define its position in the market. This will no doubt include its core brand, design and platform technology. However, it may be that other IP could be commercialised without risking dilution of market position. Once the assets are understood, the business can put in place a protection process which meets its needs. IP will need to be protected where value can be generated. This includes weighing up the size of the market in each jurisdiction, together with an appreciation as to the effectiveness of legal enforcement of rights in that territory. One of the main challenges faced by businesses is the cost of protecting

IP rights, particularly across multiple jurisdictions. However, there are numerous systems which provide tried and tested ways to simplify the process. A protection strategy can and should take these systems into account, to maximise return. Similarly, the cost of enforcing IP rights can appear daunting.

Q. What advice would you give to companies on patent protection and enforcement? How important is it to police and monitor IP rights in today's global marketplace?

A. Patents are territorial rights and so a business will choose to protect its inventions in jurisdictions in which it can make most use of patent protection. This will include determining if a territory is a valuable market, whether the local legal system makes enforcement a viable option and weighing up the cost of protection versus the overall value of the patented technology to the business. For some technologies, this will rule out protection in large parts of the world. For high tech inventions, for instance, value tends to attach to having a large portfolio of patents directed to relatively incremental

ideas. Such a portfolio is difficult for a competitor to get past. On the other hand, product-based innovations, such as in the pharmaceutical industry, rely on having patent protection in many jurisdictions in parallel, to avoid leakage of generic product into the protected market. This is naturally expensive, but the value of having a legitimate monopoly for a period means that the patent owner has the chance to recoup the value of their investment.

Q. In what ways can technology help companies to manage and maintain their IP assets?

A. There is a huge choice of software tools and online services to enable a business to keep track of its IP assets. Most of these allow businesses to monitor progress of their pending applications, to manage renewal fees and to keep in contact with their IP attorneys. Many IP attorneys use case management systems which can integrate with clients' IP management software. This allows efficient decision making and communication, to reduce management time and to provide clarity as to what decisions need to be taken, by



when, and at what cost. These IP tools also offer facilities for management of other IP rights, such as licences, copyright works and confidential know-how, which are important to a business but which might not be on external advisers' databases. These can be highly effective if evidence needs to be produced in support of litigation over non-registered IP assets such as copyright infringement or breach of confidentiality.

Q. Could you highlight any recent legal or regulatory developments in the UK that are set to have an impact on IP going forward?

A. Following the UK's departure from the European Union (EU), companies operating in both the UK and EU will need to maintain a separate portfolio of rights. This will require separate renewal fees in both the UK and EU which will need to be factored into internal budgets. The foundation of what is considered registrable as a trademark is largely the same in both territories, however the interpretation of these laws can vary, and brand owners may see a discrepancy between the application of the law at the



European Union Intellectual Property
Office (EUIPO) and UK Intellectual
Property Office (UKIPO) level. The
introduction of the metaverse and nonfungible tokens (NFTs) may also see
an impact on brand owners' portfolios,
whether they choose to engage in both the
physical and virtual world or not. Use of
a business' brand in the metaverse, if left
unchallenged, has the potential to dilute
or tarnish a brand in the physical world.
Such a dispute raises questions about what
activities in the metaverse are actionable.

Q. What advice would you give to companies on contractual issues surrounding IP rights? What key clauses should be included in contracts to account for the possibility of future disputes arising from an agreement?

A. IP is a valuable asset. It is important that contractual arrangements take IP into consideration. The ownership of IP, both existing IP and future IP that is created as the result of any contractual agreement, is often the most important consideration. Where possible, the ownership of IP rights should be expressly set out in contractual agreements to help minimise the risk of

disputes later. If a dispute does arise in the future, the best way of dealing with that in most cases is to have a dispute resolution procedure that provides for an agreed mechanism for dealing with disputes at least initially without the need for court proceedings. A specialist IP lawyer can assist with the drafting of an appropriate multi-tiered alternative dispute resolution (ADR) clause.

Q. Are you seeing any recurring themes in IP-related disputes in the UK? What steps should companies take as soon as an IP-related dispute surfaces?

A. One recurring theme is claimants considering the options as to where to bring their claim, including choosing between the High Court Business and Property Courts IP List, which has both the standard list and the Shorter Trial Scheme, and then the Intellectual Property Enterprise Court which is a specialist list for IP matters established within the Chancery Division of the High Court. The different courts and schemes have different rules on important parts of any litigation such as disclosure and witness evidence. It is important to choose which court is best



suited for the claim that a company wants to bring, and as soon as an IP-related dispute surfaces, companies should seek specialist IP solicitors' advice to make sure that they proceed with the correct court in mind.

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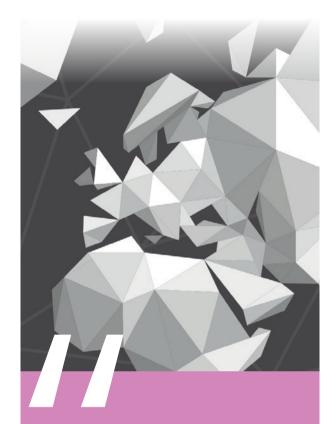
Q. In your experience, are companies in France doing enough to manage their intellectual property (IP) portfolio effectively? What key considerations do they need to make?

A. We appreciate that intellectual property (IP) portfolio management is a costly activity that companies generally try to reduce. However, dynamic management of portfolios is becoming more crucial, especially in light of the forthcoming implementation of the unitary patent (UP) and of the Unified Patent Court (UPC). This significant reform should not be overlooked by companies. The UP will provide uniform protection in participating member states. If they want to use this new kind of patent, companies with pending European patent applications will have to decide within a short period of time after the grant decision. In addition to this new kind of patent, companies must also make decisions regarding their existing European patent portfolio. Indeed, from 1 April 2023, 'classic' European patents could be litigated before both national courts and the UPC. Companies that do not want this can file to 'opt-out'. A so-called 'sunrise period', which allows

for derogation from the jurisdiction of the UPC before its entry into force, would start in January 2023.

Q. Could you outline the main challenges facing companies that are looking to generate value from their IP assets and strengthen their portfolio?

A. Companies are obviously facing a lot of different challenges, including tax pressure. In this respect, the French 'IP box' regime was entirely revised a few years ago. This allowed companies to benefit from a preferential corporate income tax rate of 10 percent, rather than 25 percent on net income derived from eligible IP assets for IP incomes. The IP assets concerned include patents, utility certificates, software protected by copyright, certain manufacturing processes and, for taxpayers which belong to a group with a turnover below €50m and which derive less than €7.5m per year from eligible assets in average over the last five years, inventions whose patentability has been certified by the National Industrial Property Institute (INPI). However, it should be borne in mind that this tax regime is not automatic, which means



Technologies may guarantee immediate identification of potential infringements on the one hand, and on the other hand allow companies to maintain a complete and accurate database of all their IP assets.

that the company must exercise the option for each asset. Therefore, it is important for companies to develop a strategy for managing their IP portfolio, and to produce the appropriate documentation to increase their competitiveness.

Q. What advice would you give to companies on patent protection and enforcement? How important is it to police and monitor IP rights in today's global marketplace?

A. It is very important for a company to efficiently monitor its IP rights, at least in the most significant markets. Once a likely infringement is identified, the company can take action accordingly. Preliminary actions toward marketplace operators may be contemplated. If this is not appropriate, French law provides for the possibility to seek a preliminary injunction in case of IP infringement. This action has existed in France since 1984 and makes it possible to obtain the cessation of acts suspected of infringing IP rights within a short period of time. In concrete terms, a company that observes potential acts of infringement may file an interim injunction request to prohibit and stop acts of infringement,



provided it can demonstrate the likely nature of the infringement. The advantages of this measure lie in the skills of the judges, who are specialists in IP, and the speed of the proceedings.

Q. In what ways can technology help companies to manage and maintain their IP assets?

A. Technologies that help to monitor IP are essential to efficiently manage IP assets. Technologies may guarantee immediate identification of potential infringements on the one hand, and on the other hand allow companies to maintain a complete and accurate database of all their IP assets. One such technology is blockchain. Blockchain is an innovative technology for storing and transmitting information and is a tool for keeping track of all types of documentation in a decentralised and secure manner. When it comes to inventions, the blockchain may be very useful as it allows companies to have irrefutable, time-stamped evidence. For example, a piece of software or a formula can be entered into the blockchain on a regular basis to demonstrate a company's developments. This kind of

process is likely to reinforce the company's rights if they are misappropriated by competitors.

Q. Could you highlight any recent legal or regulatory developments in France that are set to have an impact on IP going forward?

A. The so-called 'PACTE' law, which was enacted in 2019 in France, has made major changes to patent law which are now in force. Notably, the law has strengthened the examination procedure with the consideration of the inventive step, like the examination procedure before the European Patent Office (EPO) and has created a right of opposition which is an interesting alternative to judicial revocation actions. More recently, an order dated 15 December 2021 introduced a new mechanism for the automatic devolution of IP rights attached to patentable inventions and software of nonemployees. Companies and other research organisations should welcome this reform which aligns the situation of freelance workers with employees when it comes to rights on inventions. However, caution is still called for, particularly when drafting

clauses on IP in research and development (R&D) service agreements, as the text does not answer all the questions raised by this type of situation.

Q. What advice would you give to companies on contractual issues surrounding IP rights? What key clauses should be included in contracts to account for the possibility of future disputes arising from an agreement?

A. Commencement of the new European patent law certainly needs to be anticipated in contractual relationships. EU Regulation No 1257/2012 provides that the unitary effect may be requested for any European patent application issued for all participating member states. Instead of obtaining a 'classic' European patent, such as a bundle of national patents, the proprietor will obtain a unitary patent which will have the same effect in all participating EU member states. The UPC Agreement provides for a transitional period of seven years, which is renewable, during which the actions relating to 'classic' European patents "may still be brought before national courts or other competent national authorities".

Those wishing to avoid the uncertainties associated with the new court system "shall have the possibility to opt out of the exclusive jurisdiction of the Court". In this context, it would certainly be good to include the appropriate decision-making process in patent-related agreements, in particular to frame potential discussions between co-owners and licensor and licensee.

Q. Are you seeing any recurring themes in IP-related disputes in France? What steps should companies take as soon as an IP-related dispute surfaces?

A. As soon as companies identify a product or process that would infringe one of their IP rights, an infringement action can be brought. However, difficulties may arise in proving the infringement. In France, there is no disclosure but a specific means of investigation which is very powerful and efficient: the 'saisiecontrefaçon'. To establish proof, the holder of an IP right may apply to the judge to obtain an order authorising him to send a bailiff to the site to ascertain and describe or seize evidence of the infringement as well as the revenues in relation thereto.



Although this measure is a French specificity, it may be possible to use the information obtained in other disputes abroad, which may be beneficial in cross-border disputes.

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Pietro Pouché has solid experience in a wide range of commercial litigation matters with an emphasis on complex contractual disputes and intellectual property (IP). His practice covers general commercial dispute resolution, and he has substantial experience across the whole range of IP rights, including trademarks, unfair competition, patents, design, copyright, know-how and product liability. He has handled complex cross-border civil litigations and commercial transactions and regulatory matters before national and international authorities.



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Giulia Maienza assists clients in relation to the exploitation and protection of valuable IP assets, including patents, trademarks, designs, geographical indications and copyright. She has advised Italian and multinational clients on a range of IP-related cases, including patent and trademark infringement, unfair competition, product liability and design enforcement.

Q. In your experience, are companies in Italy doing enough to manage their intellectual property (IP) portfolio effectively? What key considerations do they need to make?

A. An issue that we have being seeing recently is the difficulty faced by start-ups attempting to protect their inventions, their know-how or their trademarks with accurate intellectual property (IP) assets. This happens because start-ups often do not have big enough budgets that can be committed to IP protection, and they start their business thinking that they can always obtain protection at a later stage. However, they often start using a specific trademark and investing their money in marketing and promotional activities with a specific brand, only to find out later that there are existing earlier trademarks that could oppose their IP assets, or even that in a specific jurisdiction their mark cannot be registered as it lacks distinctive character. Or it may be that they disclose their creative designs but then discover they can no longer obtain protection because the work will not meet the novelty requirement under European Union (EU) design law.

Q. Could you outline the main challenges facing companies that are looking to generate value from their IP assets and strengthen their portfolio?

A. One of the biggest challenges companies currently face is to carry out accurate and comprehensive prior art searches in the patent world. Indeed, when the research & development (R&D) department is in the process of creating a new product, it would be advisable to liaise with patent agents and IP lawyers to conduct a freedom to operate opinion in order to verify the existence of any existing prior art, and what amendments should be made before investing time and money in developing a final unprotectable or even infringing product. Another recommendation for companies is to think five years ahead and decide which IP assets to protect and try to guess what countries the company is likely to enter and which sectors it may wish to expand into in the near future. This could help companies to understand where and how to file their trademark applications.

Q. What advice would you give to companies on patent protection and

enforcement? How important is it to police and monitor IP rights in today's global marketplace?

A. It is key to keep monitoring the company's IP rights in the global marketplace. First, because in the new digital era it is becoming incredibly easy for copycats to exploit third parties' inventions and create, sell and distribute infringing products of lower quality or actual copies that risk confusing consumers about the association between the companies. It is vital to act immediately and stop the infringing behaviour as soon as possible to avoid those products being widely distributed. It is also important to activate customs surveillance to try to block the products from being imported from jurisdictions where the copycat products are made to the company's main markets.

Q. In what ways can technology help companies to manage and maintain their IP assets?

A. Technology can be incredibly helpful in managing and maintaining a company's IP assets. First of all, in order to check

whether third parties in any part of the world file trademark applications for identical or similar marks, any company through an IP lawyer or trademark agent can activate monitoring activities to be ready to oppose any application that could create an issue before it is registered by an IP office. In addition, to carry out clearance searches, many IP offices are starting to implement sophisticated artificial intelligence (AI) tools that also allow them to carry out similarity searches, comparing images to check whether there are already similar designs or figurative trademarks. Furthermore, there are innovative anti-counterfeiting systems that use blockchain to detect infringing products.

Q. Could you highlight any recent legal or regulatory developments in Italy that are set to have an impact on IP going forward?

A. One main legal development that will have a significant impact on the IP world is the new unitary patent and the establishment of the Unitary Patent Court (UPC). Patents, at the EU level, have always been single national assets managed

through an EU system by the European Patent Office (EPO). The new system will be revolutionary, allowing companies to have one unique EU patent which will be valid in many different EU member states and that could be defended before a unitary patent court. Another key change is provided by the EU Copyright Directive 2019/790 which "protects creativity in the digital age, bringing concrete benefits to citizens, the creative sectors, the press, researchers, educators and cultural heritage institutions across the EU". The new rules will also increase transparency in the relationship between creators of content and rightsholders with online platforms.

Q. What advice would you give to companies on contractual issues surrounding IP rights? What key clauses should be included in contracts to account for the possibility of future disputes arising from an agreement?

A. It is key to always include specific clauses on how IP assets should be used, promoted and disclosed. For example, for licence or branding agreements, it is important that the specific method of



use of a trademark or of the designs are clearly indicated and the IP owner explains in detail how the trademarks should be promoted. In addition, it is important that parties duly decide the governing law, the court where they intend to litigate and, if possible, that mediation or arbitration will be conducted prior to or instead of judicial court. Jurisdiction clauses should be well defined and cover any related disputes.

decision.

solutions to avoid having to reinterpret

rebranding in the event a trademark

dispute ends with a non-favourable

production, or should think about possible

Q. Are you seeing any recurring themes in IP-related disputes in Italy? What steps should companies take as soon as an IP-related dispute surfaces?

A. It is always important to carefully evaluate how to communicate and disclose inside the company, to group entities, investors or to the public any potential litigation which relates to IP assets owned by the company. It is key to always liaise with IP lawyers to understand what should and should not be said when litigation starts and throughout the proceedings. Then, if companies are summoned to a proceeding, for example for patent or trademark infringement, they should already be prepared for negative outcomes. They should try to find alternative

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Ewa Kacperek is a counsel in the Intellectual Property, Media and Technology Department at Hogan Lovells Warsaw. She specialises in intellectual property and unfair competition laws. She advises both Polish and international corporations in issues related to the protection of trademarks, copyrights, unfair competition, licensing agreements and protection of personal data, as well as on e-commerce. She also advises in connection to mergers and acquisitions, as well as providing ongoing legal services. As a litigator, Ms Kacperek has represented clients before the courts – including the Supreme Court, in matters concerning violations of intellectual property rights and fair competition rules.

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Q. In your experience, are companies in Poland doing enough to manage their intellectual property (IP) portfolio effectively? What key considerations do they need to make?

A. In my experience, companies in Poland are often not fully aware of the need to protect and effectively manage their intellectual property (IP) assets. As a result, they may be missing opportunities to generate value from their portfolios. Companies ought to consider registering their IP early enough in the IP development process, so that they can effectively protect themselves against infringers. This is particularly the case for patent and utility patent protection, both of which have been largely underutilised by Polish companies to date. Secondly, companies should think of developing an IP protection strategy to effectively protect and structure their IP portfolios in a costefficient manner. They should consider using specialised counsel, such as patent attorneys or IP lawyers. They should also establish internal procedures or use external providers to keep IP registrations up to date.

Q. Could you outline the main challenges facing companies that are looking to generate value from their IP assets and strengthen their portfolio?

A. The main challenges facing companies looking to generate value from their IP assets include the need to watch out for, and vehemently fight against, trademark infringements, to help avoid their trademarks becoming generic. They should also be mindful of the need to use their trademarks, as they generally become vulnerable to cancellation after five years of continued lack of use. A way to keep them alive is to licence them out, as the use of trademarks by third-party licensors also counts as genuine trademark use. In addition, companies sometimes use as trademarks, and then file for registration, brands which cannot be registered as trademarks as they are generic or are too similar to existing trademarks. In such an event, they should consider altering the brand to make it distinctive, try to file based on acquired distinctiveness, or change the brand altogether.

Q. What advice would you give to companies on patent protection and

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enforcement? How important is it to police and monitor IP rights in today's global marketplace?

A. The chance to obtain patent protection is a trade-off for making the full description of the invention public in such a way that the invention can be replicated by people skilled in the relevant field of science. Furthermore, patent protection is generally limited to 20 years from the date of the filing of the patent application. An alternative to patent protection is keeping the essentials of the invention secret which is not time limited. Companies should consider if they want to choose the patenting or the trade secret route. If the company wishes to obtain a patent, as the possibility to apply for patent protection is generally time-barred, companies should determine the geographies in which they want to obtain patent protection. At the same time, they should monitor all relevant geographies for patent infringements to spot them as early as possible.

Q. In what ways can technology help companies to manage and maintain their IP assets?

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A. Technology offers a range of ways to help companies manage and maintain their IP assets. Technological solutions include programmes designed to help keep track of existing IP assets, manage renewals and use deadlines. There are IP platforms that help companies select trademark candidates in various geographies, using sophisticated artificial intelligence (AI) algorithms. With regard to enforcement, there are automated watch services, helping companies to keep track of trademark applications that they may want to oppose or to spot infringements surfacing on the internet. Companies may also use specialised software helping them keep track of various pieces of evidence that they may need in order to prove reputation of a trademark. In the physical space, there are QR codes designed to help companies spot counterfeits in the marketplace. Given this multitude of solutions, companies for which IP is a core asset should consider using them to help their prosecution and enforcement efforts.

Q. Could you highlight any recent legal or regulatory developments in Poland that are set to have an impact on IP going forward?

A. A new Polish Industrial Property Law is set to be adopted early next year. The most important changes to the current IP landscape will include reduction of the period to oppose a trademark application to two months down from three months from the date of making the trademark application public. Also, the period to oppose the registration of a utility model and an industrial design will also be shortened to two months from the date of making information on registration of the relevant IP right public. Both amendments will mean that interested companies will have to closely monitor the Polish market to spot applications or registrations in due time. An additional change includes time-barring the possibility to raise arguments and provide evidence in opposition proceedings and contentious proceedings, including patent invalidation proceedings. Finally, the new law foresees the establishment of a deposit for knowhow, in order to protect it from illicit use and disclosure.

Q. What advice would you give to companies on contractual issues surrounding IP rights? What key clauses should be included in contracts to account

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for the possibility of future disputes arising from an agreement?

A. To state the obvious. IP assets are created by people, not corporations. Therefore, the agreement between the creator and the company that wishes to obtain IP protection needs to ensure the transfer of rights to the IP from the creator to the company. With regard to patents and utility patents, laws in Poland are generally very favourable toward companies and ensure that rights to an invention or utility model created by an employee or a contractor transfer to their employer, provided that the invention was created within the framework of the agreement they entered into. Therefore, the agreement needs to be drafted correctly. The same cannot be said for agreements with external providers, which are often used to create trademark candidates: in this case, companies need a written agreement, spelling out the scope of copyright transfer, to avoid potential future claims from the author of the underlying copyrights.

Q. Are you seeing any recurring themes in IP-related disputes in Poland? What steps should companies take as soon as an IP-related dispute surfaces?

A. In an IP dispute in Poland, it may be quite difficult to prove that damages resulted from an IP infringement. Therefore, often companies focus their efforts on stopping IP infringements rather than claiming damages. As soon as an IP dispute surfaces, companies should check if they have all the evidence needed to substantiate their claim, such as data and the documents necessary to prove the reputation of a trademark. Concurrently, they should consider sending a strong cease and desist letter to the infringer. In a substantial number of cases, such letters are successful and help avoid a costly and lengthy court dispute. If the company wishes to seek temporary injunctive relief, it should be mindful of commencing the main proceedings within a maximum of two weeks after the relief is granted, otherwise the relief ceases to be binding.

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PEOPLE'S REPUBLIC OF CHINA

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Li Wu is an attorney at law and patent attorney qualified to practice in both China and the US. His practice covers all aspects of intellectual property law. He mainly focuses on providing the full spectrum of patent services to his clients, including patent prosecution, invalidation and litigation. Furthermore, he is also very experienced in helping clients set up their global IP protection and enforcement strategy, in particularly concerning their complex and advanced technology. Before starting his legal career, Dr Wu worked as a scientist in the field of neuroscience for more than 10 years.



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Guanbin Xie founded Lifang & Partners in 2002. His major practice areas include intellectual property disputes, antitrust and competition law, and consultancy for hi-tech companies. He has gained a high reputation in these areas with his solid academic background, government experience and professional dedication. He won the Outstanding Achievement Award at the first Science & Technology Law Awards from the National Office for Science & Technology, was named among Beijing's Top 10 Intellectual Property Lawyers by the Beijing Bar Association, and is listed as a Chambers Band 1 IP Leading Individual, MIP IP Star and in other league tables.

Q. In your experience, are companies in the People's Republic of China doing enough to manage their intellectual property (IP) portfolio effectively? What key considerations do they need to make?

A. In China, many foreign companies manage their intellectual property (IP) portfolios well, but they could do better. Companies in China usually have a decentsized patent portfolio, given that the costs of obtaining and maintaining them are not that high in China, particularly compared to other major markets such as the US, EU or Japan. Notably, some companies have not retained a high-quality IP team, which should include individuals with a good understanding of the Chinese IP system as well as an ability to keep abreast of rapid changes in the system. Accordingly, these companies' patent portfolios are often not managed effectively. For example, the utility model is a powerful tool within the current Chinese patent system – it can be granted quickly and cheaply, and may be as powerful as an invention patent during enforcement. Regrettably, many companies have not realised the benefit of including utility models in their patent portfolio, and unwisely spend too much money procuring and maintaining invention patents, even though the final effect is about the same. As another example, a patent term extension (PTE) for pharmaceutical patents has now become possible after the new Patent Law was introduced, yet details of how to obtain a PTE are still pending the release of final regulations. Accordingly, there are many uncertainties when applying PTEs, and many companies do not know how to cope with this situation and might miss opportunities.

Q. Could you outline the main challenges facing companies that are looking to generate value from their IP assets and strengthen their portfolio?

A. Previously it was not easy for companies to generate value from their IP assets in China, although the situation is now changing. Specifically, the average compensation awarded by the courts in patent litigation used to be fairly low, and infringers or potential infringers did not worry about being sued. In recent years, however, compensation has begun to climb, especially after the new Patent Law took effect. The new Patent Law raises statutory damages up to roughly \$700,000,

which is much higher than the average cost of going through litigation and therefore strongly motivates patentees to enforce their patents. If a patentee can obtain solid evidence of the damage suffered, the compensation awarded can rise much higher.

Q. What advice would you give to companies on patent protection and enforcement? How important is it to police and monitor IP rights in today's global marketplace?

A. China is the world's factory; hence, policing and monitoring IP rights in China is essential to the success of many companies in today's global marketplace. To successfully enforce and protect IP rights in China, companies may need to ensure, firstly, they have a high-quality patent portfolio. China utilises a bifurcated patent litigation system, and the invalidity challenge procedure, which is independent from infringement litigation, plays a critical role in determining the result of associated infringement litigation. If the underlying patent is deemed invalid by the China National Intellectual Property Administration (CNIPA), the associated

infringement litigation must be withdrawn immediately, and the patentee must go through lengthy and painful administrative litigation to bring the action back to court. The chances of achieving this result are slim, with unofficial data suggesting less than 10 percent. Second, China is big and not all Chinese courts are of equal quality in their handling of IP patent disputes; only those courts located in east coast provinces where local economies are thriving have rich experience and personnel equipped to handle these types of cases. Thus, it is essential to do some forum shopping when considering how to protect and enforce patents in China.

Q. In what ways can technology help companies to manage and maintain their IP assets?

A. The most effective step is to source good patent management software and a database.

Q. Could you highlight any recent legal or regulatory developments in the People's Republic of China that are set to have an impact on IP going forward?



A. There have been quite a few legal and regulatory developments recently. The most notable was the fourth amendment to China's Patent Law, which took effect on 1 June 2021. The newly amended Patent Law strengthens patent protection in China while also making the country's patent system more sophisticated and flexible. The pharmaceutical sector is believed to benefit most from the new Patent Law. Pharmaceutical patent holders can now obtain an additional patent term of up to five years to compensate for the time taken to process and approve a PTE. They also have a new mechanism to resolve patent disputes with generic manufacturers before the generic drug is approved: the drug patent linkage system. Other highlights of the new Patent Law include expanding protection for design patents, such as changing the term of a design patent from 10 to 15 years and accepting partial design registration, and increasing damages compensation for patent infringements, imposing punitive damages up to five times, and shifting the burden of proof on calculated damages to the alleged infringer.



Q. What advice would you give to companies on contractual issues surrounding IP rights? What key clauses should be included in contracts to account for the possibility of future disputes arising from an agreement?

A. First, companies should always try to specify IP ownership in their contracts. Chinese laws usually defer to IP ownership agreements achieved by mutual consent, even though there could be statutory ownership by default. Therefore, it does not hurt to always specify ownership of IP rights in any contractual deal, particularly where parties may make further contributions to the IP and it is not clear who should own it. A clear ownership provision may solve many potential disputes. Second, if applicable, including an arbitration clause, combined with a forum selection clause, and even a choice of law clause, in a contract is ideal in situations where a technology licence or transfer overseas is concerned. In the absence of these clauses, any dispute with a Chinese party may be tried in a Chinese court under Chinese law.

Q. Are you seeing any recurring themes in IP-related disputes in the People's Republic of China? What steps should companies take as soon as an IP-related dispute surfaces?

A. There are always a few recurring themes in IP-related disputes in China, which, among other things, inevitably concern evidence collection and production. Given that evidence related to IP infringement is often in the hands of infringers, and China does not have a system like discovery in the US, it is often difficult for rights holders to obtain evidence at trial. To overcome this, it is critical for companies to carry out evidence collection in advance when an IP-related dispute surfaces, and to collect it in accordance with judicial practices in China, which could involve using public notarisation, seeking an IP administrative agency to ensure evidence preservation, and so on. \square



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Justin Davidson is a technology lawyer based in Hong Kong and heads the intellectual property (IP) team in Asia. He specialises in IP law and has a strong record advising both multinational and Asian businesses for over 25 years on a wide range of contentious and non-contentious IP and technology law issues across Asia. He regularly assists clients in protecting and exploiting their IP portfolios and is particularly active in advising on complex IP litigation and managing multijurisdictional patent disputes. His practice also includes advising on the IP aspects of acquisitions, spin offs, joint ventures and IPOs.



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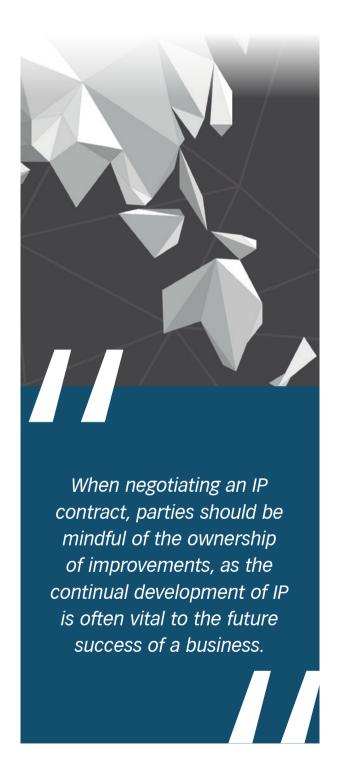
Stanley Ng is an IP lawyer admitted as a solicitor in Hong Kong in 2017. He also holds a PhD in chemistry from Oxford University and a masters in IP from University of Technology Sydney. Prior to practising law, he worked in a patent agency drafting and prosecuting patent applications. His experience covers patents, design rights, copyright, confidential information, trademarks and domain names. He regularly assists clients on registration, commercialisation and enforcement of their IP rights, particularly in the PRC. His technical knowledge and patent expertise make him well suited to advise on both contentious and non-contentious patent matters.

Q. In your experience, are companies in Hong Kong doing enough to manage their intellectual property (IP) portfolio effectively? What key considerations do they need to make?

A. Larger companies are now generally very aware of the available means of intellectual property (IP) protection, and have developed sophisticated in-house strategies for their IP filings. They are also experienced in maintaining and enforcing their IP rights. On the other hand, many small and medium enterprises (SMEs) may still lack the same level of awareness regarding IP protection. A number of factors should be considered when devising IP strategies, such as the goal of the business, such as long-term sustainable growth versus short-term exit for capital return, as well as the locations of its main markets and supply chains. Sometimes, companies can make use of defensive filing strategies to protect their position in the relevant IP landscape. An important issue not fully appreciated by many is to consider whether a key part of the technology can be protected as a trade secret or not.

Q. Could you outline the main challenges facing companies that are looking to generate value from their IP assets and strengthen their portfolio?

A. Building up a brand or developing a technology is a long-term investment and may be contrary to other pressures to see an immediate return on investment. Directors must persuade investors on the potential of the brand or technology held by the company and at the same time manage a wide range of risks, including that IP applications may be rejected, that competitors may launch similar products and that lawsuits against infringers may take time to resolve. A management team with vision and an awareness of the value of IP is required to address these challenges. External legal advisers also play a vital role in increasing the chance of successful IP registration and assisting with enforcement. In terms of strengthening the IP portfolio, management should agree on a direction for future development, such as new lines of business or improvements in existing technology, so that subsequent IP filings can be built around the new business and technology areas.



Q. What advice would you give to companies on patent protection and enforcement? How important is it to police and monitor IP rights in today's global marketplace?

A. The importance of having professional drafting of the patent specification and claims cannot be overstated. First and foremost, the scope of patent protection is determined by its claims, and with reference to the specification. A welldrafted patent increases the likelihood of protecting the technology in question. Furthermore, a careful patent draftsman should have analysed the prior art landscape thoroughly and reduce the chance of the patent being invalidated. In today's ever-changing legal landscape, enforcement strategies vary greatly across different jurisdictions. Where disputes arise, it is essential to engage experienced legal counsel to coordinate global litigation strategy and ensure consistency between pleadings. With the help of technology, companies may also keep track of competitors' patent filings and research and development (R&D) trends, and screen third-party patent applications



in relevant fields to identify potential infringers at an early stage.

Q. In what ways can technology help companies to manage and maintain their IP assets?

A. IP management software is routinely used by in-house and external IP counsel to manage tasks and deadlines. In fact, technology can do much more than that. For instance, a number of patent offices are experimenting with the use of artificial intelligence (AI) to search for similar trademarks and prior art patents and designs, and there is no reason why the private sector cannot similarly do so. As another example, analytic data on United States Patent and Trademark Office (USPTO) examiners' prosecution tendencies – such as the average number of office actions before granting or rejecting a patent application and average length of time required for grant or rejection - are available on the market for patent applicants to understand a particular examiner's practice and preference, to formulate an appropriate prosecution strategy to maximise the chance of obtaining a grant from the examiner.

Q. Could you highlight any recent legal or regulatory developments in Hong Kong that are set to have an impact on intellectual property (IP) going forward?

A. The PRC's fourth amendment to the Patent Law brought in a patent linkage system which allows innovator drug owners to challenge a generic drug when marketing approval for the generic drug is being sought, and therefore even before the drug is officially launched in the market. The revised law also provides for the protection of partial designs and extends the term of design protection to 15 years. In Hong Kong, preparation for joining the Madrid Protocol is currently underway, in accordance with the Hong Kong government's plan to formally become a member of this international trademark registration system in 2023. At the same time, the Copyright (Amendment) Bill 2022 is being considered by the city's legislature to keep the copyright laws updated with respect to recent rapid advances in technology.

Q. What advice would you give to companies on contractual issues surrounding IP rights? What key clauses

should be included in contracts to account for the possibility of future disputes arising from an agreement?

A. When negotiating an IP contract, parties should be mindful of the ownership of improvements, as the continual development of IP is often vital to the future success of a business. Dispute resolution clauses are also worth the contracting parties' attention. In many circumstances, the choice of governing law and forum can have a significant influence on the outcome of a dispute, and we have seen parties bargaining hard for homecourt advantage. When trade secrets such as technical know-how or client lists are provided to the counterparty pursuant to an IP contract, the disclosing party should request inclusion of a specific nondisclosure clause, and in some situations non-circumvention and non-competition clauses as well, in the agreement to guard against misuse of confidential information.

Q. Are you seeing any recurring themes in IP-related disputes in Hong Kong? What steps should companies take as soon as an IP-related dispute surfaces?

A. In the last year, there has been an increasing trend of PRC courts granting anti-suit injunctions, or even anti- antisuit injunctions, in an attempt to prevent disputes on standard essential patents (SEPs) from being heard in a foreign court, and also giving the PRC court an opportunity to set the global royalty rate for the SEP licence. In line with a national policy to strengthen IP protection, the PRC courts have been more amenable to plaintiffs' damages claims in recent years and have awarded substantial, and in certain cases punitive, damages in various kinds of IP infringement cases including patent, trademark, copyright and trade secrets. It remains to be seen how the courts will decide cases involving disruptive technologies. With the development of AI and blockchain, the courts have already heard copyright cases involving AI-generated works and non-fungible token (NFT) trading, and many more disputes concerning these technologies are expected to arise in the near future.



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